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## Summer-time business blues

People's Assembly Speaker Fathi Sorour has stripped businessman Rami Lakah of parliamentary immunity so that investigations on his alleged financial transgressions can proceed. **Gamal Essam El-Din** reports

With the People's Assembly in summer recess, Speaker Fathi Sorour last week invoked his constitutional power to strip businessman Rami Lakah, deputy chairman of the Assembly's Foreign Relations Committee, of his parliamentary immunity so that he can be investigated for financial malpractices. Sorour also allowed Abdallah Tayel, chairman of both the Assembly's Economic Affairs Committee and Misr Exterior Bank, to testify before prosecution officials in connection with complaints of financial irregularities. This decision stopped short of stripping Tayel's parliamentary immunity.

A statement issued by Sorour's office said he took action at the request of Justice Minister Farouk Seif El- Nasr. It also said Sorour was empowered by the Constitution to take these steps while parliament was in summer recess. In the statement, Sorour vowed to continue the policy of dropping the immunity of MPs accused of issuing worthless cheques.

Sorour's decision raised to nine the number of deputies stripped of their immunity in order to face questioning in connection with accusations of financial irregularities. Seven were said to have issued worthless cheques.

Sorour announced that four other MPs could face the same fate, but the deputies asked for a grace period during which they promised to honour their cheque obligations.

There were three requests for Lakah's immunity to be dropped on the grounds that he allegedly bounced cheques and failed to honour bills to the tune of LE9.5 million. Included in this sum was a worthless cheque for LE5.9 million Lakah allegedly issued in favour of Hossam Abul- Fotouh, an agent for a German car manufacturer. Lakah was further accused of issuing a worthless cheque for LE600,000 and of dodging an estimated LE3 million in unpaid bills.

The requests to drop Lakah's immunity were submitted to Sorour a few weeks before parliament adjourned on 4 July for the summer recess. In the presence of Abul- Fotouh's lawyer, Raga'i Attia, Lakah asked Sorour for a two-month grace period. Lakah, however, later left for Paris, while his brother and partner, Michel Lakah, travelled to Canada. There are unconfirmed rumours that Lakah has fled the

country to dodge an estimated LE1.2 billion in unpaid bank debts.

Back in August 2000 similar rumours emerged that Lakah had fled to Paris, but these were refuted when he returned. At the time, Lakah said "malicious interests" were behind the rumours.

The last five months have been difficult for 38-year-old Lakah, a Roman Catholic businessman and a parliamentary independent who represents Cairo's downtown district of Al-Azbakiya. He became bogged down in financial troubles when Ahmed El-Baradie, chairman of Banque du Caire -- to which Lakah owes an accumulated debt of LE650 million -- took a hard-line position on rescheduling this debt. Lakah's troubles were compounded by the current market recession. Last month, he had to close down a light bulb-manufacturing factory, laying off more than 300 workers. Lakah also failed last month to meet an estimated \$300 million in dividend payments on Global Depository Receipts (GDRs) which he had registered in 1999 in the name of Lakah Group on the Luxembourg Stock Exchange.


Lakah was a major supplier of medical equipment and turn-key hospitals to the Health Ministry. He says the Health and Education Ministries owe him LE360 million in deferred payments.

Moreover, Lakah is in real danger of losing his parliamentary seat. The Supreme Administrative Court is expected to annul his parliamentary membership on the grounds that he has dual nationality. On the eve of last year's general elections, an Administrative Court ordered that Lakah be barred from running. After exhausting the legal technicality of filing an appeal with Cairo's Urgent Matters Court, Lakah, an Egyptian-French citizen, filed a last-ditch appeal with the Supreme Administrative Court. The appeal is expected to be rejected because the Court of Cassation -- the highest judicial authority -- has ruled that citizens holding dual nationality must be barred from contesting general elections. Lakah was also said to have used his dual-nationality status to dodge military conscription.

As for Tayel, the 60-year-old chairman of the Assembly's Economic Affairs Committee, he was authorised by Sorour to testify before prosecution officials. Tayel is accused of using his position as chairman of Misr Exterior Bank, a joint Egyptian-Spanish venture, to provide two businessmen with more than LE200 million in loans without adequate collateral. The businessmen are Tayseer El-Hawari, a major steel producer, and Magdi Yacoub, a real estate magnate and agent of European car manufacturers. El-Hawari fled Egypt for Brazil last year to dodge an estimated LE170 million in unpaid loans to Misr Exterior Bank.

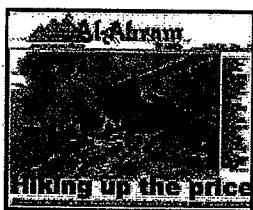
Despite a hostile press campaign, Tayel's chairmanship of Misr Exterior Bank was extended two months ago for an additional year by Prime Minister Atef Ebeid. Tayel reached the retirement age (60) three months ago.

Before the Assembly's first session was concluded, the immunity of eight deputies, six of them members of the ruling National Democratic Party [NDP], was dropped. The reasons cited were issuing worthless cheques, tax evasion and committing a plethora of construction offences.

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